

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
W. R. GRACE & CO., et al., ¹)	Case No. 01-01139 (JJF)
)	(Jointly Administered)
)	
Debtors.)	Objection Deadline : <u>July 1</u>, 2002, at 4:00 p.m. (prevailing eastern time)

**SUMMARY APPLICATION OF KIRKLAND & ELLIS FOR COMPENSATION
FOR SERVICES AND REIMBURSEMENT OF EXPENSES AS BANKRUPTCY
COUNSEL TO W. R. GRACE & CO., ET AL., FOR THE FIRST MONTHLY
INTERIM PERIOD, FROM APRIL 1, 2002 THROUGH APRIL 30, 2002, FOR
THE QUARTER OF APRIL-JUNE, 2002**

Name of Applicant:	<u>Kirkland & Ellis</u>
Authorized to Provide Professional Services to:	<u>W. R. Grace & Co., et al., Debtors and Debtors-in-Possession</u>
Date of Retention:	<u>Retention Order entered May 3, 2001, effective as of April 2, 2001.</u>
Period for which compensation and reimbursement is sought:	<u>April 1, 2002 through April 30, 2002</u>
Amount of Compensation sought as actual, reasonable and necessary:	<u>\$435,988.55</u>
This is a <u>X</u> monthly ___ interim ___ final application.	

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

The total time expended for the preparation of this application is approximately 40 hours, and the corresponding estimated compensation *that will be requested in a future application* is approximately \$10,000.00.

This is the first monthly application for interim compensation of services for the April - June 2002 quarter that the Debtors have filed with the Bankruptcy Court in the Chapter 11 Cases.² The following applications have been filed previously in the Chapter 11 Cases:

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
May 29, 2001	4/2 - 4/30/01	\$626,079.00	\$32,439.84	pending	pending
June 29, 2001	5/1 - 5/31/01	\$567,151.00	\$77,487.86	pending	pending
July 31, 2001	6/1 - 6/30/01	\$560,569.50	\$45,466.13	pending	pending
July 31, 2001	April - June, 2001	\$1,753,799.50	\$155,393.83	pending	pending
August 28, 2001	7/1-7/31/01	\$476,582.50	\$25,312.13	pending	pending
September 28, 2001	8/1-8/31/01	\$472,334.50	\$29,022.59	pending	pending
October 30, 2001	9/1-9/30/01	\$443,617.50	\$27,147.47	pending	pending
November 7, 2001	July - September, 2001	\$1,392,534.50	\$81,482.19	pending	pending
December 11, 2001	10/1-10/31/01	\$493,074.00	\$27,724.54	pending	pending
December 29, 2001	11/1-11/30/01	\$524,980.00	\$29,678.21	pending	pending
January 31, 2002	12/1-12/31/01	\$405,278.50	\$27,276.95	pending	pending
February 7, 2002	October-December, 2001	\$1,423,332.50	\$84,679.70	pending	pending
March 4, 2002	1/1-1/31/02	\$439,056.00	\$32,279.54	pending	pending
March 27, 2002	2/1-2/28/02	\$412,304.00	\$18,475.64	pending	pending
May 2, 2002	3/1-3/31/02	\$430,342.50	\$51,759.20	pending	pending

K&E has filed certificates of no objection with respect to the interim monthly Applications for April 2001 through March 2002, respectively, because no objections were filed within the respective objection periods. The Quarterly Applications for the interim periods from April 2, 2001, through June 31, 2001, July 1, 2001, through September 30, 2001, and October 1, 2001, through December 31, 2001, have been scheduled for hearing on September 23, 2002. The Quarterly Application for the interim period from January 1, 2002, through March 31, 2002, has been scheduled for hearing on August 26, 2002.

² Any capitalized terms not defined herein have the meaning ascribed to them in the Verified Application of Kirkland & Ellis for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel to W. R. Grace & Co., et al., for the First Monthly Interim Period from April 1, 2002, through April 30, 2002, for the Quarter of April - June, 2002.

The K&E attorneys who rendered professional services in these cases during the Fee Period are:

Name of Professional Person	Position with the Applicant	Number of years as an attorney	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Janet Baer	Of Counsel	20 Years	Bankruptcy	\$580.00	98.70	\$57,246.00
James W Kapp	Partner	8 Years	Bankruptcy	\$470.00	136.80	\$64,296.00
Roger J Higgins	Associate	6 Years	Bankruptcy	\$345.00	49.00	\$16,905.00
Christian J. Lane	Associate	4 Years	Bankruptcy	\$350.00	126.70	\$44,345.00
David M Bernick, P.C.	Partner	24 Years	Litigation	\$665.00	24.30	\$16,159.50
Michelle H Browdy	Partner	12 Years	Litigation	\$420.00	67.70	\$28,434.00
Kellye L Fabian	Associate	2 Years	Litigation	\$265.00	29.90	\$7,923.50
Mark E. Grummer	Partner	26 Years	Environmental	\$420.00	34.90	\$14,658.00
Timothy S Hardy	Partner	29 Years	Environmental	\$470.00	14.90	\$7,003.00
Elli Leibenstein	Partner	10 Years	Litigation	\$430.00	50.50	\$21,715.00
Todd F Maynes	Partner	15 Years	Taxation	\$600.00	7.00	\$4,200.00
Scott A McMillin	Associate	6 Years	Litigation	\$380.00	106.90	\$40,622.00
Reed S. Oslan	Litigation	15 Years	Litigation	\$490.00	2.00	\$980.00
Andrew R Running	Partner	20 Years	Litigation	\$480.00	56.60	\$27,168.00
Christopher B Sullivan	Partner	7 Years	Litigation	\$390.00	24.90	\$9,711.00
Steven M. Wellner	Partner	17 Years	Environmental	\$505.00	1.00	\$505.00

The paraprofessionals of K&E who rendered professional services in these cases during the Fee Period are:

Name of Professional Person	Position with the Applicant	Number of years in that position	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Bertha Serrano	Legal Assistant	10 Months	Bankruptcy	\$140.00	16.80	\$2,352.00
Sabrina M Mitchell	Project Assistant	1 Year	Bankruptcy	\$85.00	53.50	\$4,547.50
Lauren Mitchell-Dawson	Legal Assistant	12 Years	Environment/ Transactions	\$200.00	0.50	\$100.00
Seth B Kutnick	Project Assistant	2 Months	Litigation	\$90.00	156.00	\$14,040.00
Shirley A Pope	Legal Assistant	17 Years	Litigation	\$180.00	154.40	\$27,792.00

Grand Total for Fees: \$410,702.50
Blended Rate: \$338.58

Compensation by Matter

Matter Number	Matter	Total Hours	Total Fees Requested
16	Asset Analysis and Recovery	9.80	\$4,546.00
17	Automatic Stay Matters/Relief Proceeding	24.80	\$10,670.00
20	Case Administration	173.50	\$35,177.00
21	Claim Estimate, Objection and Resolution	197.90	\$51,383.00
22	Contested Matters/Adversary Proceedings	507.50	\$194,666.00
24	Creditors/Noteholders Committee	6.60	\$3,069.00
25	Creditors/Shareholders Inquiries	3.20	\$1,539.00
27	Employee Matters	14.50	\$5,965.00
28	Environmental Issues	41.90	\$18,398.50
29	File, Docket, Calendar Maintenance	36.30	\$3,982.00
30	Hearings	40.50	\$21,127.50
32	K&E Fee Application, Preparation of	33.80	\$8,734.00
33	Lease Rejection Claims	4.40	\$2,068.00
38	Retention of Professionals/Fees	39.10	\$16,038.00
39	Schedules/Statement of Financial Affairs	1.00	\$350.00
40	Subsidiaries/Non-Debtor Affiliates	0.80	\$280.00
41	Tax Matters	1.00	\$470.00
42	Travel	26.20	\$12,105.50
43	Use, Sale or Lease/Abandonment Property	17.30	\$6,147.00
44	U.S. Trustee	0.50	\$235.00
46	IRS Tax Litigation	32.10	\$13,647.00
47	Eminent Domain Proceedings	0.30	\$105.00
	Total	1,213.00	\$410,702.50

Expense Summary

Description	Amount
Telephone	\$2,145.95
Facsimile Charges	\$888.28
Standard Copies	\$1,578.60
Binding	\$54.25
Tabs/Indexes/Dividers	\$34.10
Color Copies	\$154.50
Scanned Images	\$1.95
Postage	\$18.07
Overnight Delivery	\$305.70
Outside Messenger Services	\$24.21
Local Transportation	\$17.00
Travel Expense	\$2,169.48
Airfare	\$9,046.27
Transportation to/from airport	\$348.95
Travel Meals	\$226.33
Other Travel Expenses	\$33.00
Court Reporter Fee/Deposition	\$91.75
Investigators	\$425.00
Outside Copy/Binding Services	\$86.80
Library Document Procurement	\$30.00
Computer Database Research	\$2,920.15
Overtime Transportation	\$141.12
Overtime Meals	\$195.00
Overtime Meals - Attorney	\$47.50
Secretarial Overtime	<u>\$4,302.09</u>
Total	\$25,286.05

WHEREFORE, K&E respectfully requests (a) that an allowance be made to it, as fully described above for the (i) 80% of the amount of \$410,702.50 for reasonable and necessary professional services K&E has rendered to the Debtors during the Fee Period (\$328,562.00) and (ii) 100 % of the reimbursement of actual and necessary costs and expenses incurred by K&E during the Fee Period (\$25,286.05); (b) that both fees and expenses are payable as administrative expenses of the Debtors' estates; and (c) that this Court grant such further relief as is equitable and just.

Wilmington, Delaware
Dated: May 31, 2002

Respectfully submitted,

KIRKLAND & ELLIS

A handwritten signature in black ink, appearing to read "Roger J. Higgins", is written over a horizontal line.

James H.M. Sprayregen
James W. Kapp III
Christian J. Lane
Roger J. Higgins
200 East Randolph Drive
Chicago, Illinois 60601
(312) 861-2000